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ABSTRACT

The Legislative Commission on Expenditure Review (LCER) has recently produced a program audit for educational television (ETV) in New York State. This report by the State Education Department is a response to that evaluation, stating that "the audit is replete with errors in fact, both historical and statistical, misunderstandings, misrepresentations, innuendoes, and unsubstantiated accusations." The response deals largely with the Bureau of Mass Communications; it is specific and follows the organization of the audit report, covering areas such as classroom communications, the Bureau of Mass Communications, charts and graphs, the Regents TV fund, production, the duplication and distribution service, aid programs to ETV councils, the ETV councils, and an overview of ETV. (Author/SH)

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THE UNIVERSITY OF THE STATE OF NEW YORK
THE STATE EDUCATION DEPARTMENT
ALBANY, NEW YORK 12224

STATE EDUCATION DEPARTMENT COMMENT ON

"EDUCATIONAL TELEVISION IN NEW YORK STATE"

A PROGRAM AUDIT OF THE

LEGISLATIVE COMMISSION ON EXPENDITURE REVIEW

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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FOREWORD

The LCER program audit for Educational Television in New York State exhibits lack of uniformity in staff work and evaluation, exhibited by criticism which is not evenhanded from one agency unit to another. This possibly reflects differing attitudes or competence of investigating staff. In any case, the audit is replete with errors in fact, both historical and statistical, misunderstandings, misrepresentations, innuendoes and unsubstantiated accusations. As published it can be of little or no help to the Legislature which will have to separate the wheat from the chaff before being able to react in informed fashion to the status of ETV in the State.

This response, dealing largely with the sections on the Bureau of Mass Communications and the New York Network, is highly specific and follows the same organization as the audit report. It cannot, therefore, be a well-ordered and easily read document which stands by itself. Essentially, however, the following major points must be made:

1. The audit has not used facts and accurate statistics provided to staff by the Bureau of Mass Communications;
2. Unique comments and rumors have been accepted as fact without any apparent effort to check these or evaluate the reason for the discrepancies;
3. There is exhibited a lack of understanding of federal legal restrictions and of the Rules and Regulations of the Federal Communications Commission.

4. All units studied are not subjected to equal ground rules of examination. Some activities are reported to March 1, 1973; others do not have their most recent accomplishments or administrative changes recognized.

5. The problems of the Binghamton ETV station and the Department's role in that situation are consistently misstated and misinterpreted to the disadvantage of the Education Department and of those local citizens and legislators who cooperated so successfully to reverse the effects and direction of previous malfeasance and mismanagement.

6. No reference was made to Regents Position Paper No. 17, "Instructional Technology," dated November 1972.

All of these have had to be detailed, line by line, in this statement. We can only hope that the damage done by the incompetent evaluation can be partly corrected in the mind of the concerned and objective reader.

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Classroom Communications

1. A useful addition to the report would be to stress and underline the reality (implicit in the report) that instructional television's failure to cope effectively with the learning needs of the State has been caused by the dearth of suitable, well designed and produced software. It is not New York State alone that suffers from the problems caused by technology's hardware outstripping its software.

2. The description on page 5 is historically deficient in that the Office of Research and Evaluation (first para, line 6) has been involved only for the past two years.

3. One area in the report where the accuracy is undermined by false implication occurs in the discussion of PTV's impact on the education community. On page 29, (table 14), the implication is that PTV in New York State affected some 2.1 million school children out of a possible 4.3 million during 1970-71. There is no doubt that these 2 million school children were enrolled in districts that had some arrangement with either a local PTV station or WNYE/25 in New York City. It would, however, be very misleading to think that anywhere near that many school children were directly influenced by the programming broadcast from the stations in question.

4. During the discussion of the ICEIT undertaking (pp. 13-14) by the Division of Research and Educational Communications in the State Education Department, it would be helpful to have more extensive

analysis of the distinction between basic skills learning and the expository/information-transfer dimension of education. This is important since it would have indicated that ICEIT in no way limits the commitment to individualized instruction which can still be achieved in the basic skills instructional areas where it is most relevant and necessary.

Specific Comments

Page	Paragraph	Line	
8	5-col. 2		Teachers Guides for Television is, indeed, a useful publication, but it should be noted that it deals with a very limited selection of programs a year--probably 20-30. The guides, moreover, are of very broad design.
9	4-col. 2		Cost estimate is based on more than mere cabling (wiring) of classroom. Department experience indicates: Wiring = $100-$125/room $120-$130 for black and white set $340 for color set $30-$60 for TV stand
9-10	5-col. 2		All BOCES do not participate in television maintenance service contracts. The existence of such services and their complexity vary greatly with BOCES capability.
11	3		Cayuga BOCES also has contracted with WCNY/Channel 24, Syracuse.
12	Chart 2		This chart is incomplete--failing to indicate the full number of sources that have direct input into the classroom; i.e., PTV stations, State tape library, commercial networks, and local school districts.

Page	Paragraph	Line	
13-14			It should be recognized that while monetary proportions remain essentially the same, that the absolute costs of production, teacher salaries, etc., have increased since these projections were made.
13	1		ICEIT also provides for physical exercises. It is not purely sedentary as implied.
13	2	7	In indicating that communication of "current and historical information would be a responsibility of the Education Department," it is important to realize that ICEIT intends to fully involve numerous local school districts in the formulation and design of instruction. ICEIT does not envision the Education Department's working independently in the design of instructional materials and then "laying them on" the local school district.
23			Fails to note that the Regents External Degree Program concept could provide a potential solution to the problems posed in the last paragraph. The Empire State College of SUNY could also make positive contributions to the solution of this problem.

The Bureau of Mass Communications

Its Scope and Functions

The report omits mention of a number of Bureau of Mass Communications' functions, activities and continuously added responsibilities.

At the outset, the study confuses ETV "as limited to ETV stations." An initial diagram is drawn and the single concept of there being only two possible kinds of educational television, that is, public television (PTV) and instructional television (ITV) is the sum and substance of the comparison. The following erroneous and over-simplified comment is made at the bottom of page 1, column 1, paragraph 2:

> "ITV services may be rendered by non-commercial stations or by inhouse facilities of educational institutions."

Throughout the report the specifics of such other electro-mechanical dissemination means as the use of Instructional Television Fixed Service, developments of CATV, the applications of satellite instruction and many others are ignored or remain largely unmentioned.

On page 1 a statement indicates that although radio ". . . predates ETV by more than 30 years, only recently has the State committed any appreciable funds for its development and utilization. . . ." The source of this statement needs explanation. The accuracy is questioned.

It should be noted that the Instructional Television Fixed Service, basically a four-channel system of simultaneous distribution, does not depend upon open circuit distribution, is easier and less costly to install,

and less costly to operate than an open circuit television signal. Such a system does not have the advantage of reaching the community at large, only the limited school system or systems which use and operate it. ITFS, along with CATV and other internal distribution systems, as more economic operations, are again ignored in the report, despite the fact that the Bureau did give to the examiner basic information on this service. The fact that the Bureau represents the entire Northeast region of the United States to the Federal Communications Commission and advises on this and several other matters, is never mentioned in the report. These facts were made clear to the examiner.

On page 26, the report again takes the approach that the only way an ETV signal may be received by a classroom is through one of the local ETV stations. The report notes a decrease in number of the school population subscribing to an OPEN CIRCUIT signal, since 1968-69, in table 14. However, the report does not note the following for this same period of time, although the tables on Aid-to Schools projects do so indicate:

a. Internal distribution systems increased from '67 on.

b. ITFS systems have greatly increased in number and coverage.

c. Aid-to-Schools and internal Departmental budgeting took advantage of changes in video tape technology so that small inexpensive video tape players are not available even on a shared basis for individual classrooms or clusters of classrooms.

This is the period of time when an individual video tape player decreases in cost from approximately

$14,000 (for the early Ampex 1 inch players)

(needing frequent adjustment and highly unpredictable)

to

$900 (for an EIAJ-I player) (Stability unusually high; delivery of good picture and sound without needing frequent adjustment is reliable; and, there are at least 17 compatible manufacturers for such low cost equipment. Three manufacturers contributed the equipment which made possible this service, without required legislative budget and at no cost to the people of the State of New York.)

During the one year in which the report notes the decline in use of the service from broadcast stations, the requirements of instructional programs' duplications on request from schools and BOCES almost double, according to the Bureau's records: '69 - 2,991 requests; '70-'71 - 5,649 requests. (SEE APPENDIX B, with reference to this statement.)

Page 30. The report several times notes that channel 25, WNYE, is an exception to the problems of School Television Service funding. Especially stressed is the support by the Board of Education of New York City with the implication that it is not supported by the Education Department. The report fails to note the following:

The creation of channel 25 began at channel 13 under an Aid-to-Schools grant for programming only, then administered under the Bureau of Mass Communications. In 1965 the Chief of the Bureau worked with the New York City Board of Education to create a grant request to the federal

government to establish channel 25. This was done with matching funds from the State Education Department and the Board of Education of New York City, matching money with a federal grant under Public Law 87-447. The federal grant was supported by a statement to HEW drafted for the Commissioner by the Bureau of Mass Communications.

On this same page the report lauds the production efforts of WNYE, channel 25. This it does rightfully, commenting that the programs of that station are used in 22 states and Canada. What the report fails to note, once more, is that all of that fine production was initially made available by the efforts of the Department in bringing the station into being. He also fails to note that like the programs of WNYE, some of those of the Bureau of Mass Communications have been used in 50 states of the United States, and in Canada, too. As an example, the Ontario Broadcasting Authority will match funds with the Bureau and the United Nations to conclude the MAN BUILDS - MAN DESTROYS series in fiscal '73-'74. Thus, an added bonus is brought to the people of the State and the PTV stations that have already scheduled a reuse of existing programs in the series. In addition, the Department, through the Bureau, has made available to Canada the French translation rights for the video tape series and the excellent manuscript-guide. The examiner was informed of these pending arrangements.

Numerous comments could be made about the presumptions and assumptions made vis-a-vis the New York Network, what it has done, what it planned to do, and what it is capable of doing, and most important, what its future can become. Regardless of the original plan, or the

subsequent revision of those plans, nothing appeared in the original plan and its various phases (pp. 33-34, the description of 6 phases) which had not already been projected in the State Education Department Starlin Plan of 1962. Only details have changed with time as new and other types of technological potential have developed. These will continue to change. But the overall concept was and still is solid. To misinterpret that developmental need, as the report does, and to give incorrect and simplistic information as is done about inter-campus and inter-community possibilities (see 1st paragraph - column 2, p. 3[illegible] - the GEMS instructional system of Buffalo) discredits the report. The report fails to make clear that what is being discussed is a basic Instructional Television Fixed Service which used imagination in accessing both telephone lines and the network. To make the statement "This simple procedure can be repeated for most SUNY campuses. . . . ." without clarifying the early role of the Department in aiding the Buffalo SUNY campus and its CP application to the FCC is to neglect a pioneering effort of the Department. Had the examiner (s) questioned the Department on this matter, they would have learned that early budget support for the GEMS and two similar ITFS plans were devised by the Department. The examiner leaves the impression that this was a matter for the network alone.

On page 39 begins the description of the Bureau of Mass Communications in the Department, although a brief summary appears on p. 26. Nowhere

does the report set forth the 'charge' or function of the Bureau, the reason for its coming into being, the way in which its scope has increased and changed with the passage of time. Although all facts were discussed with the examiner and he was given a statement of function and scope, at no time does the report refer to that nor adequately describe the variety of other-than-broadcast concerns which are the purview of the Bureau. Other units described in this report, however, are given such descriptions.

Charts and Graphs

Charts, graphs and other textual information are frequently inaccurate or provide misleading information to the reader. Sometimes they beg new questions which remain unasked or unanswered. Most often they are inaccurate and contrary to established information.

One such example is the pie chart on page 1, projected by the LCER staff. It indicates an estimation of $1.65 million as a total expenditure contribution to the financing of ETV by cities and towns. The actual revenues of $454,838 from counties, cities and towns are the following:

WSKG - $22,087.63	WCNY - $26,250
WXXI - $56,250 15,000	WNED - $145,000
WMHT - $11,750 7,500	WLIW - $130,000
WNPE - $21,000	WNET - 0

Again, difficulties are experienced in understanding the reference on the pie chart on page 1 which claims that a total of $7.25 million was made in contributions and subscriptions. The following are the expenditures as reported to the Bureau in a regular and substantiated audit:

Contributions and Subscriptions

WSKG - $27,964	WNET - $2,754,000
WXXI - $257,121	WNED - $432,000

WNPE - $39,400

Plattsburgh - $16,352

WCNY - $176,647

WLIW - $87,489

WMHT - $308,803

TOTAL - $4,099,776

The examiner might have possibly included "other income" as additional income but which is not true "contributions and subscriptions." Audited "other income" from all stations totals another $262,486. If these non-contributed revenues are added to genuine "contributions and subscriptions," the revenues are still nearly $3 million less than the $7.25 million claimed.

Page 26 is typical of the liberal and unexplained use of charts that is sprinkled throughout the report. Most often, the charts devised by the examiner consistently provide information without necessary interpretation to guide the reader to a reasonable conclusion. Bold statements are wide open to erroneous assumptions and conclusions. The chart on this page makes a comparison which tells nothing other than that a wide range of subject matter is broadcast by PTV stations. Requirements are different for each station.

Page 29, l. 18 ff. When discussing the role of BOCES this report fails to make the following distinctions:

1. BOCES as an operating and funding source for school service programming is to 'aid the establishment of internal distribution systems and for utilization within the schools.'

2. Assumption of ETV costs by the State provides for program delivery through broadcast stations to all schools, public and private, as well as adult education centers.

3. BOCES programs were never designed to aid the ETV stations, only to aid the concept of increased learning-opportunity-materials.

Page 31. Again, an examiner conceived table 16. It confuses two things:

a. That a program of interest to the community must be locally produced;

b. That a general definition of community programming even exists. It does not. The table is in gross error if common usage of these terms is accepted. The figures can in no way be justified without an explanation to clarify it.

On p. 31, the report neglects to stress again that WNYE/25 is 95% funded by the New York City Board of Education. In addition, many of the normal operational and capital overhead costs of most ETV stations are hidden. WNYE has sufficient funding and school resources for the production of programs beyond the capability of other PTV stations except WNET/13.

On p. 31, we have table 17, estimated by the LCER examiner. The table is confusing. It does not add up consistently within the table itself. We do not understand the distinction made in this table between New York State-produced programs and those not produced in the State.

Page 31, table 18. Again, the examiner has devised a table of percentages, this time of "locally produced public programming." The table is based on a questionnaire, which, again, is not available in either the appendix or at the appropriate place in the report. To attempt

to measure programming produced or broadcast in percentages is to measure unrelated elements. Stations do not broadcast the same number of programs or the same number of hours. The length of schedule and the length of broadcast time varies. Therefore, what is 10 percent to one station might be 100 percent to another. To illustrate: If Channel 13 broadcast 100 programs of which it produces 10, it has, therefore, produced only 10 percent of its offerings. If, on the other hand, a station broadcasts only 10 programs and produces all 10, it has produced 100 percent of its programming. On the basis of this rather simple approach, we must reject almost all of the examiner's tables which may be based on the "percent" concept. And there are many such tables in the 'audit.'

Presumptions are made also about network interconnection. The obvious elimination of at least two stations from the network is misleading as to the intent and justification for such elimination. To couple it with the specious argument on page 37 that the full strength of WNYE's capability is thus eliminated is to beg the issue. The true issue is that every station in the State wants to be interconnected with the network, including WLIW, WNYE and WNYC, channel 31, regardless of their capacity to contribute to the network. All stations are anxious to contribute the maximum service to their viewers, REGARDLESS OF THE SOURCE OF THE PROGRAMMING, so long as it is "good" and makes a contribution to the viewership interest of that station. Therefore, they <u>want</u> network programs.

Table 25, p. 42, which attempts to portray the percentage of SED

funds paid to PTV stations is significantly in error. (Appendix 1 provides the correct information.) The grant formula of 1971 required contracts to be drawn on the basis of projected operating budgets. Actual expenses differed from projections. Adjustments in contracts were required before the final grant payment. Preliminary audits were used to accomplish the adjustment. The examiner's overview failed to take into account such adjustments which were worked out in cooperation with the ETV councils. WNET/13 agreed to a lesser percentage rate because of extended financial resources not found in other areas of the State.

The previous year, 1970-71, grants were also based on projections. No serious problem of exceeding 1/3 support limitations existed. Binghamton was the exception with a then unpredictable final budget.

The Regents TV Fund

The report fails to ascertain the principles underlying the Regents TV Fund and its use.

On page 40 the report makes the allegation that additional funds are available for production from the Regents TV Fund. This is not true. Contrary to the implications of the report, the Regents TV Fund is operated under the strictures defined by the Regents. The fund is used largely for the purpose for which it was created - namely, to research, write and make available for sale, accompanying printed guide material to media materials, where such material does not exist, has not been budgeted, and also where such materials may be subsequently made available outside of New York State, as well. Every effort is made that materials to be used in the State of New York are available at no cost. Where this is not possible, materials are made available at print cost, in every instance. The same applies to the availability of film duplicates of video recordings, audio duplicating of existing master tapes and the like. The purpose of the fund is to make more learning and informational opportunity available without taxing the regular funds of needed budget appropriation. The Regents have directed that the fund is a revolving fund. It is not and may not be used for profit-taking.

Without explaining the positive circumstances surrounding the grant from the Council on the Arts, the examiner attempts to cast the worst

possible light on that grant, on page 40. The examiner was informed of the following facts:

a. Mr. Anthony Schillaci, the producer and presenter of the series FILM AND SOCIETY, and noted New York City authority on the social implications of film, had applied to the Council on the Arts for funds to write a guide to the series he was producing for the Department.

b. The Council on the Arts wished to make the grant to Mr. Schillaci. However, the Council is prevented from making grants directly to individuals. It may make them only through organizations. Every organization approached by the Council required at least 20 percent to administer the grant. Thus the amount of money going to Mr. Schillaci would have been reduced from $13,000 to $10,400 - a considerable reduction to be taken by a single individual attempting to produce a guide, graphics and visuals of some significance to the use of learning materials. The Bureau was approached as a possible recipient, since it was the producing agency for the series, and since its needs would be immediately served by the writing of such a guide. Since the mandate of the Regents for the operation of the fund, namely, the creation of accompanying guide materials, was to be served, it was appropriate to accept the grant. The <u>entire</u> amount of $13,000 was given to Mr. Schillaci on the completion of the guide. A report was rendered to the Council and no amount of any kind was deducted by the Regents, all administration of the grant having been assumed as part

of the regular function of the Bureau. The statement in the report that "The Chief of the Bureau of Mass Communications determines how the fund will be used. . . ." is not correct.

Production

The review criticizes the production of television programs developed and disseminated by the Bureau of Mass Communications, unjustly and frequently without understanding. The production content development process used by the Bureau is ignored, an accurate account of distribution is incorrectly reported, and the cost effective use of minimum production funds is discounted.

On page 32 the statement is made that the Bureau of Mass Communications produces instructional programs for the PTV stations. The report fails to note that production efforts over the past years were not limited to nor intended exclusively for PTV.

Production funds were first requested because the PTV stations, as a source of programming, ceased to deliver such programs beginning in 1966. The previous year the ETV councils had requested that funds supplied by the State Education Department no longer be disseminated to the councils on the basis of the programs they produced. This basis for disseminating funds had been determined by the Office of Counsel as far back as 1960. The very method for support delineated in the law quoted in the report, namely (Sec. 213, Sub. 1) was determined as the appropriate way in which the Department could exercise the budget support appropriated by the Legislature, some four years before the Bureau of Mass Communications was even conceived. Contrary to the suggestion in the report, it was the councils that provided programming

to the Department and the State, not the other way around. As will be expressed later, the entire existence of circulating programs and the method for doing so was started by the Councils, the first operating ETV stations of the State. It was these holdings which came to the Department, yearly from the Councils, and which the Councils produced initially at commercial stations (which they used before their own facilities were built) that formed the entire video tape holdings which made possible the beginning of the duplication and distribution service. When the Duplication and Distribution Service began, the master holdings were already well-worn from use and reuse. No additions were made to those holdings until 1967-68, when for the first time a budget was provided for such purposes. The report does not take into account that as much as 40% of the programming of the State video tape library was withdrawn from use in 1972. Such programs, although still in demand by some schools, were the original programs acquired by the Department from the Councils at the conception of the library. It is natural that some users of the video tape service were becoming dissatisfied with the content and technical quality of such antiquated programs. Nevertheless, the Bureau of Mass Communications was faced with the dilemma of withdrawing programs that were still being used and found effective by some school districts without replacement of other programs. The report also fails to note that nearly all programs produced originally by the Department since 1968-69 are still in the library and are continuing to be used. (SEE APPENDIX A.)

The report's claim that the Department's in-house minimal production facilities were established at a cost of $250,000 is without foundation in fact. The record indicates that the actual cost of furnishing camera and audio capability and studio drapes was in the vicinity of about $51,000. (SEE APPENDIX C, attached.) The telecine or film chain and slide projector equipment was part of the Cortland project equipment returned to the Department with the demise of the State's first Aid-to-Schools project.

There are several reasons for the decline in use of the studio and increase of use of the state network and other studios:

1. The SED equipment is now 8 years old and fully depreciated by broadcast standards;

2. Color television facilities are now the current mode of production. The network facilities are 'color' and contain very sophisticated technical equipment for special effects and editing. Department facilities are not capable of this;

3. An experienced production staff exists in the network. The Education Department technical staff exists mainly of video tape operators, not skilled production people. The Bureau's Director of Production can better utilize the existing network facility than upgrade SED equipment at this time.

The statement in the report pertaining to the studio leads the readers to believe that the SED studio is an expensive and lavish facility equal to the technically superior facility of the New York Network. An inspection of the facilities would provide instant clarification that this is not the case.

Contrary to the claims of the report on page 32, New York Network and other out-of-Department production facilities are rented and used because they exceed the minimum capacity of those in the Department. Their rental is economical and eliminates the need to duplicate expensive facilities in the Department, together with the additional personnel required to operate such facilities. Contrary to the claims of the report, such rented facilities have included the studios at WMHT in Schenectady, WNYE, WNET (for "Communications and Education" and for the first trial program depicting equal employment possibilities for ethnic minorities), WXXI for the French and Spanish language series produced there, the Rochester City School District studios (Typewriting), the ITFS facilities at RIT for the production of a series, "Philosophy of Religion," and the studios of the ITFS operation of the Archdiocese of New York.

The report repeatedly asserts that the Bureau of Mass Communications uses its minimal production funds for "non-NYS groups for production or acquisition of programs (e.g. p. 32, 4, 6, 7)." As noted previously, this fund was established because regular production inputs from the Council stations for all practical purposes ceased in 1966 when Department funds were given directly to the Councils for support of operational services at their direct request to the Commissioner. The purpose of State funds for production purposes is solely to return the best value to the people of the State and is not designed for Council support. Production requests of the Bureau or <u>any other area of the Department are never</u> part of the

Department request for support of Public Television or open circuit broadcasting. Nevertheless, the Councils have been and continue to be offered the same cost-basis as commercial and other educational producer counterparts. Most often, Councils are not competitive in price, however, Councils indicate one-half hour of color production (documentary style) at $25,000 per half hour. Appendix D, attached, is a clear demonstration of how cooperating producers match funds with the public funds of New York State to provide a product result to the people of the State not otherwise available. This appendix, made available to the examiner, does not appear in his report. It indicates that the producers were all New York based. A contrary and false claim is made in the report. Only NITC, a consortium into which content-reaction is supplied by the New York State Special Consultant on Health, is out of State.

As Appendix D indicates, the material achieved was valued at $902,000, a return to the people of the State of New York of more than $5 to $1.

The report also states that the Bureau produced only seven programs during FY 1971-72. This statement is grossly inaccurate. The actual number of originally produced programs was 42; and at least 72 programs were acquired through Project PACT (Programming Aid From Commercial Television), a redistribution system for commercial programs of educational value that are made available to the Department.

It is interesting to note that most of the materials produced under that funding were used and many are already scheduled for reuse by many of the ETV stations of the State. All were made available initially through scheduling on the New York Network.

Another misrepresentation of the fact is the number of programs utilized by the New York Network and the PTV stations. The percentages presented in the report are incorrect (SEE APPENDIX F for number of programs.) As previously stated, the production budget was not created as a sole source of programming for the PTV stations. As a matter of fact, one prime purpose of the state library program is to serve the schools and colleges through alternative delivery systems. The single channel of the PTV station cannot hope to adequately service the complex schedules of secondary and postsecondary institutions. Eighty percent of the programming on the PTV station is broadcast for the elementary schedule. The state library, although containing many elementary programs, also serves and prepares substantial program materials for secondary and postsecondary situations.

On page 30 the reviewer praises the outstanding caliber of such nationally produced programs of quality as MASTERPIECE THEATRE, SESAME STREET, EVENING AT POPS, INTERNATIONAL PERFORMANCE; and, such talk presentations as FIRING LINE, FRENCH CHEF, 'to name a few,' which filled the schedule of less affluent stations with outstanding programming. The examiner takes no note of the fact that the discussion programs to which he makes reference utilize the "talking face" techniques of TV production. It is interesting to note that 'talking face' programs are

those with which the examiner later takes issue when he suggests too many of these are available from the holdings of the Bureau of Mass Communications. The report is contradictory and ambivalent on this and a number of subjects.

It should also be recognized that the production of a single program in the "Masterpiece Theatre," "International Performance" exceeds the entire year's budget for production by the Bureau as do almost all commercial network programs.

If anything, the report presents an argument for greater amounts of funding for production by the Bureau. Yet, in spite of the low funding for production, the results of Bureau program and production activity have yielded a number of outstanding program series, some of which have received national and international attention. "Man Builds, Man Destroys" won a Fair of Rome Film Festival award and is broadcast on the National Public Broadcasting Service Network. Communications and Society, and Shadings, in separate years, have each won the prestigious Ohio State Award.

In the final paragraph on page 39, the initial impression is that of the total budgeted amount for the year 1972-73, an extraordinary amount is allocated for production purposes. The narrative for this segment is inaccurate. A principal fact is presented entirely out of context. Note this statement: "In 1963-64, when this appropriation was first made, $540,000 was allocated for production, although since 1969, it has remained approximately $200,000." The examiner was well aware that there was no budget for production of materials, only for the

acquisition of material already produced by the ETV Councils and their stations, since that was the only method for the support of open circuit stations at that time. No production funds were made available until 1966 and in that year funds were made available only for the purchase of raw stock tape which was to be made available to the Councils in the event that produced materials were to be offered to the Department. None was forthcoming, and a minimal production budget was requested in the following year, 1967.

In the conclusion on page 33 the report scores the Department and the Bureau: "The Education Department uses its production budget in such a way as to severely limit local participation and advice." The examiner was given the following information, which is not in the report:

1. Production decisions as to the kind of material to produce are always based on Regents' Priorities statement of educational need.

2. Content area specialists in the Department in specific areas are always part of the initial planning, review of producer ideas, review of scripts and proposed scripts before these are put into production, acceptance of the 'rough cut' or preliminary production version, and act as final acceptors of all produced or proposed acquisition materials BEFORE these are finally accepted and before State funds are dispersed for these materials. Content area specialists of the Department (e.g. Health, Social Studies, Science Service, Foreign Languages, etc.) in many instances, spend as much as 50 percent of their time in the field, at schools;

they also supervise the development of State recommended curriculum and are cognizant of what is needed and reflect such needs in the advice and cooperative working and funding arrangements they pursue with the Bureau of Mass Communications.

The Duplication and Distribution Service

The report of the video tape duplication and distribution service of the State Education Department is highly inaccurate particularly with regard to current level of quality, recent change and upgraded potential and quality of holdings and service.

The report relies on qualitative judgments from "various sources." The so-called "various sources" indicated poor technical quality of video tape copies. In Appendix A, the result of a telephone survey of major users of the service is indicated. The survey, conducted the third week of March 1973, indicates a different conclusion than that of the examiner. Since statistics play such an important role in this report, it is incredible that generalizations are made from undocumented sources, investigation or adequate research.

The report states that BOCES regional libraries might well serve the State as a whole. The report does not state:

- The number of regional libraries is extremely limited;
- The coverage of such regional libraries is limited to the constituency of the school districts which it serves;
- The supply of video software for the BOCES libraries is largely drawn from the Media Duplication and Distribution Service;
- How those areas are served where no regional libraries exist.

The report also leads the reader to believe that BOCES libraries refuse to use the State Library. Appendix H lists the number of programs ordered by specific BOCES libraries as both masters from which they

have the Bureau's permission to duplicate, and for those which act as in-system redistribution agents.

On page 32, table 19 is in error and gives a false and incomplete picture. This table purports to indicate minimal or lack of use of the programs of the State Education Department. The correct table, taken from actual ordering records is indicated in Appendix F. Specifically, it indicates the following numbers of programs were used by the ETV or PTV stations:

In '70-'71 - 1,269 (includes 199 NOC distributed programs)

In '71-'72 - 1,093 (includes 129 NOC distributed programs)

In '72-'73 - 660 ($2\frac{1}{2}$ months, only) (includes 113 NOC distributed programs)

Although table 19 reports numbers for WSKG as unavailable, the examiner must have been aware as indicated in other report comments about the Binghamton problem that our service provided nearly 100 percent of programming for Binghamton from '69 until recently, with the exception of those programs initiated locally.

Emphasis must be given to the error in conclusion drawn on p. 33 of the report. Instructional television is regarded by the examiner as a means of suppiying instructional programming to the open circuit station, only. This accounts for a small and almost insignificant number of the programs from the duplication, distribution and production service. Of the more than 5,000 requests filed in '71-'72 only 25% were required by the PTV stations.

Appendix B gives the overall total of duplicated copies of State

programs. These figures differ substantially from those of the report.

The above appendices indicate that not only is the service being used, but the trend of use showing great growth. It must be clearly understood that despite the compounded number of requests, from year to year, none of the users of the duplication and distribution service are required to use that service. It is provided by the Department to the people of the State at no cost and with no obligation.

Finally, Appendix E represents simple formulae which form the basis of cost effectiveness and accountability in the use of produced materials, whatever the medium may be. These formulae demonstrate that it is the projected and compounded reuse of materials that can demonstrate a real basis for estimating dollar return for repetitive and reenforced learning.

Aid Programs to ETV Councils

The audit presents an inaccurate description of State Education Department programs for aiding the ETV councils.

Early in Chapter IV the report fails to distinguish the Bureau of Mass Communications' involvement with organizations chartered by the Regents compared with those which are not so chartered.

WNYE/25 and WNYC/31 are not chartered and are not a part of ongoing assistance programs. They are both supported by City of New York funds. The Bureau of Mass Communications, acting as the Governor's appointed State broadcasting agency (under P. L. 87-447, P. L. 90-129, P. L. 91-97 and under the Public Broadcasting Act of 1967 and amendments of 1969), makes an in-State radio and television project priority ranking. Such a priority statement is considered by the Federal Educational Broadcasting Facilities Program in making Federal grants. Federal funding of broadcasting capital projects to New York State exceeded that of any other State. But contrary to the report's suggestion, Federal funds are granted directly to each station, not through the Bureau (p. 26).

Under an Aid-to-Schools grant program, the non-Regents chartered WNYE/25 received State matching capitalization funds of approximately $450,000 in 1963-64.

However, other than this exception, the Bureau of Mass Communications programs are not designed to financially assist WNYE/25 or WNYC/31

except through making available State video tape programs, at the station's request.

On page 29, the report attempts to compare WNYE/25 operations with the other ETV stations. Since WNYE is 95% supported by the Board of Education of New York City (plus by non-budgeted overhead contributions) whereas since ETV councils have multi-revenue sources with a large private donor component, the comparison is skewed and without validity.

On page 32 and 33, the examiner suggests that the State production budget be considered as a type of aid program to ETV councils. This production budget had never been intended as an aid program but was to be used for the production and acquisition of the best possible programs at the best possible cost. In that sense, ETV stations may seek to win production contracts on an open competitive basis with any other production agency. Some confusion over production funds may lie in the fact that initial aid to the councils was in the form of production contracts. This method of aid was phased out in favor of general operating assistance contracts for general program service. The production program was added as a distinctly separate effort.

Despite inclusions of updated information as late as February 1973, the review did not report in opportune places, such as on pages 10, 11, 26, 28, 38, 47 and 48, the facts for summer and fall of 1972. The program change was made to overcome those limitations to financing school television broadcast services described in the paper.

A major program change was outlined in the summer and fall of 1972 to overcome limitations of financing the school television services. The program change was routinely under discussion with the ETV Councils, Division of the Budget, and legislative financial committee staff members during this period. The report makes no mention of substantial changes during this period while other developments occurring in a similar period of 1972-73 are recorded in the report. Many of the problems and directions noted by the report were thus inaccurate.

Under this plan, the State is to provide funds to cover the cost of the ITV service as well as other traditional operational expenses normally provided for in previous aid programs. The new plan will allow ETV stations to underwrite a sound school television service of programming, improved utilization and technical services to all schools of the region, both public and private. No school need be left out or "pirate" programs off the air without subscribing. Additional program services can be extended to adult learning centers and institutions of higher education as well. Program needs will be identified and solved on a regional basis. The BOCES will appropriately develop internal distribution and evaluation systems for its participating members. A much stronger and more stable program of service can be maintained under this program than previously.

A description of the proposed program is attached as Appendix G.

To state, as the report does, that the Department operated without standard reporting procedures since the 1950's on pages 39 and 48, is

incorrect. All arrangements for assistance or production assigned to Binghamton and all other councils were under contract. Rules as to the use of funds were carefully stated. Regular reports and fiscal statements were standard procedure long before 1971 which was the first year the Legislature required rules and regulations in the appropriation bill. The Binghamton situation was unrelated to the printing of rules.

Page 40 again refers to the "State's share of the matching Federal Educational Television Facilities Act." As previously noted, there is no such "State share" as such. The term "State's share" is misleading since Federal grants match "local funds." State funds were designed to assist station capital development by matching other "local funds" as well. State grants helped stations to qualify for Federal matching grants but were definitely not required under the Act.

On page 41, the relationship of WNYE/25 and WNYC/31 is again confused. Neither station wishes to be under a Regent's charter and subject to its scrutiny. WNYC/31 holds a commercial channel allocation which it would have to forfeit to become an ETV station.

Although informed of the process followed each year in determining the amount of funds to be appropriated, the report arbitrarily scores the Bureau of Mass Communications on p. 41 with the following statement:

> "There can be no doubt that . . . allocation of these funds (operating funds for the councils) by the SED's Bureau of Mass Communications has been uneven and possible (sic) contrary to the appropriation intent . . ."

This statement was made in the report despite the fact that the examiner was informed by the Department and learned from the councils as well, the procedures used. The councils agreed to these. Further, the report figures (p. 42, table 25) are incorrect. *

The report fails to provide perspective or the rationale for reasonable adjustments in assistance to councils and a history of practice about State operating grants. What the report presumes to be examples of uneveness in fund allocation are evidences of program adjustments required by several factors. Early funding assistance was provided in exchange for program production available to the State library until 1965. At that time, and at the request of the councils, the funds were made available instead for general operating purposes. This was made necessary, according to the councils, since the State library service distributed programs free to schools, programs which were essentially paid for by subscribing school members to the ETV stations. Thus schools could benefit from funds contributed by other schools without putting up program money of their own.

The revised aid plan in 1965, insofar as appropriated funds allowed, anticipated balanced funding of ETV stations from schools, local contributions and the State Education Department. Each, it was theorized, would provide approximately 1/3 of the cost of operation. The ideal practice materialized over the years into a formal statement

*See page 32 for discussion, and Appendix I to this statement.

of the appropriation bill in 1970. When appropriations were relatively small, the 1/3 rule was simple to administer since there was no likelihood of State payments exceeding 1/3 of the stations expenses. Grants were then made on the basis of need and in consultation with the Councils. As appropriations grew and because of the various accounting methods used by certified public accounts, the 1/3 rule assumes a new significance. Adjustments in payments was required of the Councils at the end of the year in order to maintain the 1/3 rule limitation.

The Bureau of Mass Communications and stations foresaw the need for a uniform accounting system under the developing circumstances and hired Price Waterhouse and Company to recommend standard accounting practices. At that time there was no standard of reporting PTV budgets anywhere in the nation.

At the same time, the Bureau of Mass Communications, in an effort to consolidate reporting, negotiated with other units within the Department and with the Department of Social Services which were interested in PTV reports. An interim report form was devised by the Bureau of Mass Communications and used to gain common information in order to clarify uniform accounting needs to meet the 1/3 funding requirement. Another variable in that period was that station management projected operating expenses on which basis allocations were made. The 1972 revised formula is based on audited reports of the preceding year and estimated allocations were thus eliminated.

Still another difficult factor occurred during this same transition

period which began in 1969. The Binghamton station required unusual attention if the corporation and State investment in program service were to be salvaged. Consultations were held with local legislators who agreed that special considerations were required. Some necessary capital operating equipment, in danger of being taken in default for non-payment, was under negotiation with creditors and was "leased" and thus became part of operational costs. It was a unique situation which the Bureau of Mass Communications did not wish to institutionalize with all stations which were operating normally.

As the examiner pointed out, rules later established, excluded equipment depreciation costs as an "approved operation expense." A uniform accounting system was finally adopted by all parties in 1971-72.

The Bureau of Mass Communications attempted to maintain a reasonable balance of assistance among stations according to need and the availability of local resources during this transition period. While not all stations were satisfied with their share of funding, they agreed that the notably extreme difference in resources available to WNET/13, as compared with upstate stations, required adjustment. WNET/13 offered adjustments by releasing funds to other stations which were scheduled for WNET's use in both 1971-72 and 1972-73. No such adjustments were ever made without prior consultation with the ETV Council station managers. Initial negotiations with the Councils frequently found them in disagreement with the suggested action. Always there was final if sometimes reluctant agreement as to procedure and

readjustment. Such initial reluctance on the part of stations that stood to relinquish a part of their budget appropriation for the year is understandable. Always the fact of the reality of the budget appropriation, and the fact that it did not meet the requested amount for the year was a matter which had to be resolved. It was, as a joint action of the ETV Councils and the Bureau. Unilateral action in such a budget matter was never taken without the involvement of the Councils.

The ETV Councils

SED Limitations on Governance

The role and limitations imposed on the Board of Regents governing the ETV Councils is improperly represented.

On page 3, the report notes that the legislature rejected State ownership and operation of ETV facilities. The report quotes Section 201 of Education Law again on page 3, "...the legislature held that'...the Board of Regents should be charged with the duty and responsibility of supervising the organization and operation of nonprofit, noncommercial educational television corporations ...'" However, Federal Communications Commission rules and regulations severely circumscribe operational privileges to anyone but the licensee. The sole responsible agent is the licensee. Furthermore, the report itself indicates, in the same paragraph, that "ultimate responsibility for initiating and maintaining an educational television system lies at the community level, with the State determining the educational and operational guidelines."

On page 3, paragraph 1, a major error is made in taking Education Section 213 out of context. The report states that "The Commissioner of Education was permitted to issue rules and regulations, providing standards for research and experimentation, operation and programming of educational television by the State and school districts, BOCES and other institutions, corporations and agencies."

The writer fails to mention that this section begins with "...(subdivision) 3, for the purpose of carrying out the provisions of subdivision 2 of this

section, ..." which finally refers primarily to "buying and selling educational materials, films, ... etc., when compensating educational usefulness will result therefrom."

The point of the State law missed in the report is that the State Education Department may promulgate and encourage rules for standards of developing programs for use in education, not for the operation of stations which is governed by rules and regulations of the Federal Communications Commission alone.

Finally, the report claims that restrictions against State operation of a television station were removed, but fails to acknowledge that Education Law, Section 213, subdivision 2C explicitly delimits the Regents authorization to "lease and operate a television station in the City of New York." This particular law was established to permit the Regents to create a production studio, not a broadcasting station, in order to prepare materials for broadcast over commercial station WPIX/11 in New York City as part of the "Regents Educational Television Project (circa 1958 through 1961)." There was no authorization to go beyond the project's purpose.

In 1968-69, the Education Department proposed to the Governor's office that the Department operate a station in Watertown for the benefit of the people of the St. Lawrence Valley. This was to continue only until the people of Watertown were ready to take over such an operation. This request by the Department was denied by the Governor's office, specifically by Dr. Hurd then Director of the Budget, on the Governor's behalf.

In summary, the Regents, Commissioner, or Bureau of Mass Communications have no authority to operate ETV stations nor to interfere in the routine operation of an ETV station chartered as an independent community corporation. The Department, acting on behalf of the State, can require reports and audits on the use of State funds provided to these corporations for educational use. In fact, it has done this.

The language on page 39 in the matter of the Binghamton situation does not in any way relate the facts as provided to the Examiner by the Department. The facts follow:

1. Contrary to the claim made on page 39, an annual report of activities and finances has always been required by the State Education Department and has always been a standard part of every contract with each ETV Council. The character of these reports has been constantly refined in order to protect the autonomy of each licensee as required by the Federal Communications Commission. For the report to suggest that such was not the case until after the special Binghamton case is not correct and ignores the basic management principles followed by the State Education Department.

2. A provision of each contract with an ETV Council has always been the right of the State to require a State audit should this be deemed necessary. The examiner was informed that such an audit of the Binghamton ETV Council had been requested by the Bureau in 1965 and for five successive years thereafter. The State audit and a complete investigation of fiscal and managerial practices was finally undertaken

in 1969. At that time the Department was informed that State Audit services were not available for several weeks, and, therefore, an audit by a Certified Public Accountant acceptable to the State was arranged. In addition, a team of engineering and managerial programming experts was engaged FROM OUTSIDE THE STATE (for strict impartiality purposes) to visit the Binghamton site. On page 39 the examiner fails to note that 'the change in station leadership' and the entire ability of the station to recover was due directly to the Department investigation and on-site assistance. The examiner was given the names of specific persons in Binghamton with whom all of these facts could be checked. So far as the Department is aware, no such effort was made by the examiner.

3. The examiner was informed that until a capital grant was made to the Binghamton station to commence operations and building, no reasonable opportunity for such a detailed audit previously existed.

4. Nowhere does the report indicate that the Department initiated a major role in saving the Binghamton station and a valuable ETV channel at the time of the crisis. Within three days of the start of the SED team investigation in Binghamton the Department began to intercede with the Federal Communications Commission to keep the station "on the air" and the channel intact for educational use. The Department arranged to cut through federal red tape in order to relocate the WSKG transmitter on less than 24 hours notice and by requesting a temporary waiver of a Federal Communications Commission revision of the initital Construction Permit.

5. Nowhere does the report indicate that the Department personnel carried on persuasive and individual informal negotiation to have the site of the operation moved to one at a local school where no rental would be required.

PTV Operations

It must also be noted that the report's description of programs relative to PTV is uneven and contradictory. To cite on example, two closely related passages are considered. On page 33 the report states that 'although the Education Department is charged with development and encouragement of local broadcast facilities and programs, its involvement has been limited to administering aid funds and preparation of classroom TV materials. As a result, PTV operates largely as an independent and uncoordinated educational broadcast medium.' Two pages later in a discussion of SUNY's relations to PTV the paper states, "The PTV stations ... exercise the dominant role in deciding ... programs transitted. This policy ... is not an abrogation of responsibility by SUNY but rather a simple acceptance of fact." On the one hand, the rules of the Federal Communications Commission are cited as the delimiting force against SUNY action. On the other hand, the report does not indicate a similar limitation on SED relationships.

In short, the examiner failed to consider the State and Federal laws in their historical perspective, and has not accounted for the restraints on the Regents with regard to local operations of ten broadcast operations.

The report's disregard for the monitoring of station "operations and expenses" which took place before 1971 and the statement concluding

Chapter V, page 45 and page 48 of Chapter VI are questionable.

The report's conclusions, based on limited understanding of broadcasting policies and guidelines and, therefore, a misreading of facts, leaves this portion of the report without credibility.

Chapter VI., "Educational Television: An Overview"

This chapter, because it is based on errors and misrepresentations in the preceding chapters is not credible. The shortcomings of the chapter are compounded by a confusion of points put together in this final chapter.

1. Page 47 describes a BOCES relationship that has been superceded and much of the description outdated. Much of the information is incorrect.

2. Page 47 states school dissatisfaction with Department productions, but provides no basis for such a claim. A recent survey by our Department indicates widespread satisfaction with about 1% dissatisfaction. How can two claims be so widely divergent? (SEE APPENDIX A.)

3. The reasons for dissatisfaction (p. 47) were refuted earlier. (p. 27-29 of this statement)

4. The report does not display an understanding of the dubbing process and limitations of school used equipment purchased in the late 1960's (p. 48). Department quadruture dubs are up to full network and broadcast dubbing standards, and playable anywhere in the U.S.A. Low cost machines using 1" format as in the schools are incapable of such control and some schools and BOCES have expected more than they can deliver. Complaints have been examined and resolved at considerable expense using manufacturer's engineers, SUNY engineers and local school engineers as well as the Department's technical staff.

5. The report states that local tape libraries can reduce service time for tape delivery from months to hours (p. 47). Not only does this take the most extreme and unlikely circumstances, but no verification of the present state of program delivery is provided. All deliveries are now well under a month. Turn around time is frequently within two weeks. Only in extreme local situations can schools get service in hours. But each local service functions entirely differently. This is ignored by the report.

6. The report makes light of federally defined violations of copy right when it suggests that SED service is insignificant and minimal (p. 48).

7. As earlier demonstrated, the report is incorrect in the claim of PTV lack of use of SED materials (p. 48). (SEE APPENDIX F). The report further minimizes the SED assistance by noting a percentage of SED programs in the PTV schedule. Each PTV station programs nearly 4,000 hours a year. The SED library has approximately 1,400 one-half hour titles of various subject matter. Maximum use of SED material could then be 17%. It makes much more sense to indicate use by the number of units rather than a meaningless percentage. Even so, the information is very much in error.

8. Page 48 suggests elementary and secondary school TV has been laying fallow for the past ten years despite $10 million of investment. To the contrary, systems have been regularly using both SED and PTV services. Without such service, the development of such aid-to-school systems simply would not have taken place.

9. On page 48 the report contends incorrectly that the Regents supervision has been notably weak. Standard practices and procedures for PTV review were in existence before the Bureau of Mass Communications was established and continued when State funds became available for development of ETV. Binghamton's fiscal crisis was brought to light by such procedures in spite of efforts by management to cover up.

10. The examiner obviously has not looked at the cooperative arrangements between SED, the Network and PTV stations even though they each have separate responsibilities and functions. Pages 48-49 are remiss in this regard. The Federal Communications Commission rules and regulations permit nothing more than has been done. A few cooperative examples are outlined:

a. NYN and SED duplication exchange services;

b. SUNY and SED joint higher education catalogue;

c. NYN and SED sharing facilities and production efforts;

d. SED and PTV stations share some production and program use;

e. SED and PTV stations work on budgeting for ITV services and station operational support;

f. SED assists other state agencies; Transportation, Corrections, Labor, Mental Health, etc.

12. Page 49 erroneously states that there is little opportunity for local participation or advice regarding content. Curriculum content experts with daily field contact advise the Bureau of Mass Communications on production. There is little point in duplicating investigation by curriculum experts.

December 8, 1972

GRANT PROGRAM FOR ETV COUNCILS

The Department and ETV Councils mutually recognized a number of difficulties and inequities in the grant aid formula for ETV Councils which has been in use for the past seven years. After several meetings an agreement was reached in mid-December 1972 to guarantee certain services to the State and to the schools in each region and to remedy inequities in the grant program. The Department has several major goals in the program which are described below.

1. State aid to the Councils should reflect the effectiveness of each station to raise funds locally and should take into account the relative wealth of the area being served. Computations of the formula shall be based on audited financial reports which the ETV Councils submit annually to the State Education Department and upon figures released by the New York State Department of Commerce.

2. The State should assume the financial support of instructional television service across the State in recognition of the fact that the service should be available to all local educational agencies, whether public or private, and whether or not their local school revenues would allow them to support instructional programming. Under the previous formula, a few schools in each area carried the burden of financing the instructional service which in reality was available by broadcast to all schools.

3. All local educational agencies, both public and private, should have a voice in establishing instructional television policy for the station

serving their school. An ITV policy council formed in each service area of the State would negotiate with the ETV station regarding policies of program selection and scheduling, services to be rendered, divisions of responsibility and grievance procedures. Such agreements shall be filed with the Department prior to the execution of grant contracts to the ETV Councils.

4. ITV programming will be responsive to priorities established by the Regents. Programs developed by the councils will be made available without charge to all New York ETV stations for broadcast and to the State Education Department for subsequent redistribution to all educational institutions in New York State.

5. The ETV Councils should seek closer working relationships among themselves to insure the mutual development of programming and services. Councils in greater New York will attempt to cooperatively develop a combined three-channel ITV service with the New York City Board of Education television stations WNYE-TV.

6. Computation of the formula balances basic operating cost needs with the station's ability to generate local enthusiasm for its programming as indicated by local contributions. The formula consists of four major parts.

a) Basic Grant - $200,000 paid to each station except WNET in New York City which would receive $400,000 because of its responsibility for providing service to half the state's population. The basic grant recognizes the need for basic support to assure minimal service even in regions of low financial resources.

b) Match of Adjusted Non-Tax Revenues - A dollar for dollar match of revenues from membership, private and business contributions, unrestricted foundation grants, legacies, auction income and the certified value of donated facilities or service other than Personal Services. Restricted grants from a single source in amounts up to ten thousand dollars ($10,000) in value may be eligible given prior approval from the Department.

c) Equalizing Factor for Adjusted Non-Tax Revenues - The non-tax revenue equalizing factor in effect recognizes that a dollar raised in New York City is similar to raising several dollars in Watertown from similar sources due to total personal income wealth in each area. The New York State Department of Commerce is the source of base information.

The factor is computed by dividing total income from the combined counties in each station's coverage area into total state income. This provides an inverse index to the area's financial resources. The resulting index for New York City is used as a base one since New York City has most of the financial resources in the State. Thus, the resultant computations provide each station with a relative index of the area population's ability to contribute to the ETV station.

Adjusted non-tax revenues are multiplied by that factor. (See appendix for illustration.)

d) Match of Municipal Tax Supported Revenues - A dollar match for two dollars of unrestricted revenues received from counties, cities, villages and towns. The certified value of donated facilities or service other than personal service from these same sources will also be eligible for match at this same rate.

(Allocation of funds under this formula will be limited to the amount of the appropriation for this purpose)

Appendix A

Telephone Audit on Quality of Duplication and Distribution Service Beginning March 19, 1973

School	Quality	Service
Addison High School	Very Good	Very Good
Adirondack Community College	4 had drop out. Indicated on Evaluation Sheet	Excellent
Albany High School	Good	Good
Alden Middle School	Good	Good
Allegany Central School	6 hrs. fair 3 hrs. poor video	Too new to comment
Angelus Central School	Very Good	Fine
Ballston Spa Middle School	OK	Good
Bay Shore High School	Good	Good
Brentwood Public Schools	Very Good	Good
Briarcliff High School	Excellent	Great
Brighton High School	Very Good	Good
Brooklyn School		New
Broome Tech. Comm. College	Good	Good
Burnt Hills School	Good	Excellent
Canton Central School	Excellent	Excellent
Central High School Dist.	Good	Good
Charlotte Valley Central Sch.	Good (some poor video)	Good
Clarence Jr. High School	Excellent	Very Good
Cohoes City School	Good	Good
Colton-Pierrepoint Cent. Sch.	Good	Good
Deer Park High School	Good	Good
Dover Jr. Sr. High School	Outstanding	
Dowling College	Very Good	Good

School	Quality	Service
East Greenbush	Good (some drop out)	Good
East Aurora	Good	Good
Eden Central School	Good	Good
Edgemont High School	Good	Good
Falconer Central School	Very Good	Very Good
Fonda-Fultonville Cent. Sch.	Very Good	Good
Fort Plain Central	Very Good	Very Good
Gilbertsville Cent. Sch.	Poor	Good
Greater Amsterdam Sch. Dist.	Good	Good
Greenville School	Good	Good
Haviland High School	Now much better	Good
Heatly School	Good	Good
Hunter-Tannersville	Good	Good
Huntington Public School	Good	Good
Leman College	Good	Good
Liverpool Central School	Good	Good
Malone Central School	Good	Good
Nanuet Public School	Very Good	Very Good
Newark Central School	Good	Good
Niagara County Community College	Very Good	Good
North Syracuse	Very Good	Good
Onondaga Community College	Very Good	Good
Oyster Bay High School	Good	Good
Patchogue	Very Good	Very Good
Potsdam Central School	Excellent	Great
Red Hook Central School	Very Good	Good

Appendix A

School	Quality	Service
Rensselaer-Columbia BOCES	Good	Good
R. L. Thomas High School	Excellent	Very Good
Royalton Hartland Central	Very Good	Very Good
Rush-Henrietta Central Sch.	Very Good	Very Good
Schenectady County Comm. College	Excellent	Excellent
School Dist. #22 (Bklyn.)		New
Shenendehowa Central	Very Good	Very Good
Sleepy Hollow High School	Good	Good
Sodus Central School	Good	Good
Spencer-Van Etten High School	Excellent	Very Good
St. John Fisher College	"No Complaints"	"No Complaints"
Starpoint Central School	Very Good	Very Good
Suffolk County Community College	Very Good	Very Good
Troy City School District	Very Good	Good
Ulster County Community College	Good	Good
Watertown High School	Very Good	Very Good
West Islip Public Schools	Good	Good
Copiague Public School	"All Right"	"All Right"

THIS IS A SAMPLING OF ONLY SUBSTANTIAL USERS OF THE DUPLICATION DISTRIBUTION SERVICE.

APPENDIX B

BUREAU OF MASS COMMUNICATIONS,
SUMMARY OF ACTIVITY IN TV DUPLICATION

1966 thru 1972

	IN-HOUSE TV PRODUCTIONS	AUDIO TAPE PRODUCTIONS	VIDEO TAPE DUPLICATION	AUDIO TAPE DUPLICATION	COMPLAINTS
1966	12	28	2,080	667	2
1967	12	30	2,853	1,326	2
1968	3	None	3,813	3,775	50
1969	5	2	2,991	3,820	25
1970	9	None	5,649	200	2
1971	4	None	6,807	115	3
1972	1	32	5,241	620	5

(For 1972 new Catalogue delayed 6 months from printer. New experimental ordering period for the ½ inch, EIAJ-I format. Direct circulation from BOCES also increased.)

APPENDIX C

NEW YORK STATE EDUCATION DEPARTMENT
OFFICE OF BUSINESS MANAGEMENT AND PERSONNEL

REQUISITION
FORM PR-10 (5/64)

REQUISITIONING OFFICE: Educational Communications

DELIVER TO ROOM: 1073

DATE: 2/5/65

UNIT REQ. NUMBER: 403EC

DESCRIPTION OF MATERIAL/SERVICE	QTY.	UNIT	PRICE	TOTAL COST	SUGGESTED VENDOR	P.O. & CONT.
complete television system	1				[illegible]	
as per attached equipment list					Bloomington Indiana	
					72-21-31	
				50,000		
					To Purchase by specifications	
					to be solicited within	
					7- Days	

FUND TO BE CHARGED: Educational Television

Purchase Office Use Only	Appropriation Identification Including Reappropriating Chapter/Sec./Laws	Fund	Dept.	Div.	Line	ORIGINAL Chap.	Sec.	Laws	Ch.	Obj.	Estimated Cost
			11	00							

A1286-Ag 64-75,000 (4A2-3'0)

APPROVED: Resigned 8/20/61 BUS. MGT. AND PER.

RECEIVED BY: [illegible]

DATE: [illegible]

AUTHORIZED SIGNATURE (BUREAU CHIEF OR HIGHER): [illegible] Director

APPENDIX C - cont'd

NEW YORK STATE EDUCATION DEPARTMENT
OFFICE OF BUSINESS MANAGEMENT AND PERSONNEL

REQUISITION
FORM PR-10 (5-64)

REQUISITIONING OFFICE: Educational Communications (JP)

DELIVER TO ROOM: 1073

DATE: 3/2/65

UNIT REQ. NUMBER: 10 EC

DESCRIPTION OF MATERIAL OR SERVICE	QTY.	UNIT	PRICE	TOTAL COST	SUGGESTED VENDOR	P.O. & CONT.
Curtains for conference room						
To furnish 6 sets box pleated				$995.00	Boulevard Decorators	
curtains, Rovana Verel fabric,					240 Washington Ave.	
with 60% fullness added					Albany, N.Y.	
as per attached.						

FUND TO BE CHARGED: Educational TV - Account #30

Purchase Office Use Only	Appropriation for education (including footnotes if more than one Chapter and Law)	Fund	Dept.	Unit	Line	Chap.	Sec.	Laws	Ch.	Obj.	Estimated Cost
			11	60							

AI486/Ap 64 (5-305 (4) (a))

APPROVED: [signature] DATE: 3/4/65

RECEIVED BY: [illegible] DATE: 3/4/65

[signature]
ASSISTANT DIRECTOR
BUREAU CHIEF OR EQUIVALENT

APPENDIX C - con'td

NEW YORK STATE EDUCATION DEPARTMENT
OFFICE OF BUSINESS MANAGEMENT AND PERSONNEL

REQUISITION
FORM PR-10 (5/64)

REQUISITIONING OFFICE: Educational Communications (JP)

DELIVER TO ROOM: 1073

DATE: 6/2/65

UNIT REQ. NUMBER: 105 EC

DESCRIPTION OF MATERIAL OR SERVICE	QTY.	UNIT	PRICE	TOTAL COST	SUGGESTED VENDOR	P.O. & CONT. #
Carbon track for [illegible]				310.00	Boulevard Decorators	
20 Lumalon [illegible]						
1-Beam track, Roll-o-matic					240 Washington Ave.	
W-1 complete for walk around					Albany, New York	
operation and one W-2 carrier						
per foot, as per attached.						
Cost 156 ft W-1 track CWNA						
F O B job Site						

FUND TO BE CHARGED: Educational Tv Account 730

Purchase Office Use Only	Appropriation Identification including Reappropriations Chapter, Sec./Laws	Fund	Dept.	Div.	Line	ORIGINAL Chap.	Sec.	Laws	Ch.	Obj.	Estimated Cost
			11	00							

A1226-Ap 64-75,002 (1/37 340)

APPROVED _____ BUS. MGT. AND PER.

RECEIVED BY _____ DATE 6/2/65

AUTHORIZED SIGNATURE (BUREAU CHIEF OR HIGHER)

APPENDIX D

PRODUCTION COSTS 1971-72

Program Title	No. of Programs	State Cost Per Program	State Cost Per Series	Additional Funding Per Program	Additional Funding Per Series	Total Value Per Program	Total Value Per Series
UNICEF "Families of the World"	5 & tchr. guide	$ 1,425	$ 7,125	$25,000	$125,000	$ 26,425	$132,125
UNICEF "Children of the World"	3, 6 film prints, & tchr. guide	11,740	35,220	10,000 (UNICEF) 9,000 (Canadian Film Bd.)	30,000 27,000	30,740	92,220
Film Modules, Inc. "Personal Awareness"	1 & brochure	4,630	4,630 (2315 Health Educ.) (2315 Bureau)	1,870 (Film Modules Inc.)	1,870	6,500	6,500
SUNY NYC "Personal Awareness" (Post-production).	1	3,500	3,500 (1750-Health Educ.) (1750-Bureau)	-	-	3,500	3,500
NITC "Health Education"	16 & script	859.37½	13,750 (7500-Health Educ.) (6250-Bureau)	18,028.62½	288,458	18,888	302,208
SUNYA "Health Education Centers"	1	6,500	6,500 (3250-Health Educ.) (3250-Bureau)	-	-	6,500	6,500
UN "Man Builds, Man Destroys"	6	12,000	72,000	23,000	138,000	35,000	210,000
UN "Man Builds, Man Destroys"	guide only	1,800	1,800	-	-	1,800	1,800

PRODUCTION COSTS 1971-72 -- cont'd

Program Title	No. of Programs	State Cost Per Program	State Cost Per Series	Additional Funding Per Program	Additional Funding Per Series	Total Value Per Program	Total Value Per Series
SUNYA "Integration"	6 & study guide	$3,616.66-2/3	$21,700	$ 4,166.66-2/3 (Federal)	$25,000	$ 7,783.33	$46,700
Mulvey, Wm. K.	Research & writing guide	3,300	3,300	-	-	3,300	3,300
SUNYA "Educational Objective"	1 & 3 kinescope copies	5,000	5,000	3,000 (Federal)	3,000	8,000	8,000
Film Modules, Inc.	3 modules & accompanying system.	5,000	15,000	20,000 (Federal) 5,000 (Film Modules Inc. goods & services)	60,000 15,000	30,000	90,000
Total State Additional Value		59,371	189,525*	119,065.29	713,328	178,436.33	902,853

*174,710 ETV Funds
14,815 Health Education Funds
189,525

APPENDIX E

Production Cost

Formula for Determining Product Cost When In-house Production Is Used

$$\frac{\text{Capitalization Costs} \quad \text{Production Costs} \quad \text{Materials Cost}}{\text{Number of Uses}} = \text{Product Cost}$$

Formula for Determining Per Learner Use Cost

$$\frac{\text{Product Cost}}{\text{Number of Users} \times 5} = \text{Cost per unit for five years}$$

State Education Department

TV Programs

Videc Tape Use By ETV Councils

	1970-71	1971-72	1972-73
WXXI	104	198	80
WNET	4	*	13
WLIW	362	357	180
WCNY	37	85	6
WSKG	427	185	30
WMHT	254	35	192
WNED	*	102	27
WNYE	6	2	19
WPTZ (Commercial station programmed by the Plattsburgh council)	75		
Sub-total	1,269	964	547
Network Operations Center	199	129	113
Private ITFS System Users			
Archdiocese of New York	554	590	336
Diocesan TV Center, Rockville	53	200	80
Sub-total	607	790	416
WABC-TV (Commercial station network first-time request)			13
GRAND TOTAL	2,075	1,883	1,089

*So far as known, used Network Operations Center transmissions.

Example of the Computation of an Equalizing Factor for Adjusted Non-tax Revenues

Assume the following toal income units for each station's coverage area.

Station	Area Income
A	70
B	20
C	7
D	3
	100

(Source: N. Y. State Dept. of Commerce)

Step 1: Divide each station's area income above into total State income.

Station	State Income		Area Income		Inverse Ratio	
A	100	÷	70	=	1.2	(Provides a direct inverse ratio of area income to total State income)
B	100	÷	20	=	5.0	
C	100	÷	7	=	14.0	
D	100	÷	3	=	33.3	

Step 2: Wealthiest station area income is used as base and is divided into other station ratios.

Station	Inverse Ratio		Base Amount		Station Factor
B	5.0	÷	1.2	=	4
C	14.0	÷	1.2	=	12
D	33.3	÷	1.2	=	28

Step 3: The factor is not directly applied but is used as a percentage multiplier to compute an add on amount in Column 4.

Station	Column 2 Revenues	x	Factor	=	Column 4	=	Total Match of Private Sources
A	$100,000	x	Base	=	$ 0	=	$100,000
B	30,000	x	4%	=	1,200	=	31,200
C	20,000	x	12%	=	2,400	=	22,400
D	5,000	x	28%	=	1,400	=	6,400

The result does not fully equalize each station, of course. However, the factor plus the base grant produce the desired outcome of differentiated and increasing support of stations servicing areas having a low level of financial resources on which to draw.

APPENDIX H

BOCES Use of State Video Tape Library *
1970-71-72 **

	#Programs Reproduced	#Students Reached
Suffolk County	150	1,000
Erie County	900	70,000
Lewis County	1100	21,200
Cayuga County	133	3,990
Nassau County	915	8,000 to 10,000
Chautauqua County	95	2,500
Cattaraugus County	50	15,000

The following BOCES boards distribute only. They do not act as a reproduction library for their region:

	#Students Reached
Rensselaer-Columbia County	700
Herkimer County	60
Oswego County	50
Tompkins-Seneca-Tioga	5000
Westchester BOCES #2	2000

*Where the word "reproduce" is used it signifies that all previously ordered video tape copies continue to be reused. Additional copies are reproduced when necessary because of dual scheduling within the BOCES board itself.

**The indicated volume of use over a three year school year period was supplied by the listed BOCES.

Appendix I

CORRECTED

Table 25

	1971-1972		
	Operating Expenses	SED GRANT	Percent
WMHT/17 Albany-Schenectady	$ 749,779	$ 249,500	33.3
WSKG/46 Binghamton	428,952*	150,000	35.0
WNED/17 Buffalo	857,064	285,500	33.3
WLIW/21 Garden City	377,100	125,700	33.3
WNET/13 New York	7,643,264*	1,500,000	19.6
WXXI/21 Rochester	811,403	272,033	33.1
WCNY/24 Syracuse	738,056	235,098	31.8
WNPE/16 Watertown**	263,218	86,990	33.1

*Estimated
**WNPE/16 began broadcasting in late 1971.

Source: Derived from LCER ETV Council and Station Operations Questionnaire and ETV Council Annual Audits.